

Second Quarter Financial Statement Announcement for the Period Ended 30/6/2017

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Group						
		S\$'000	%	S\$'000	%	
Note	3 months ended 30 June			6 months ended 30 June		
	2017	2016	Change	2017	2016	Change
Revenue	4,781	4,203	13.75	8,208	7,467	9.92
Cost of sales	(4,687)	(3,966)	18.18	(8,065)	(7,421)	8.68
Gross profit	94	237	(60.34)	143	46	NM
Other operating income	1 520	688	(24.42)	814	1,322	(38.43)
Income from investments	2 911	190	NM	3,213	43	NM
Administrative expenses	(1,704)	(1,781)	(4.32)	(3,224)	(3,409)	(5.43)
Distribution costs	(112)	(105)	6.67	(218)	(199)	9.55
Other operating expenses	3 (299)	(149)	100.67	(536)	(303)	76.90
Finance costs	4 (4)	(14)	(71.43)	(13)	(14)	(7.14)
Foreign exchange gains/(losses)	5 33	(1,017)	NM	(1,365)	(3,093)	(55.87)
Share of results of associates	6 (18)	(26)	(30.77)	(37)	(45)	(17.78)
Loss before tax	(579)	(1,977)	(70.71)	(1,223)	(5,652)	(78.36)
Income tax expense	7 (290)	(289)	0.35	(381)	(417)	(8.63)
Loss for the period	(869)	(2,266)	(61.65)	(1,604)	(6,069)	(73.57)
Attributable to:						
Owners of the Company	(999)	(2,358)	(57.63)	(1,782)	(6,217)	(71.34)
Non-controlling interests	130	92	41.30	178	148	20.27
	(869)	(2,266)	(61.65)	(1,604)	(6,069)	(73.57)

NM – Not Meaningful

Statement of Comprehensive Income

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
(869)	(2,266)	(61.65)	(1,604)	(6,069)	(73.57)
590	(3,976)	NM	(3,284)	(10,378)	(68.36)
28	182	(84.62)	1,480	(9)	NM
(298)	-	NM	(1,788)	-	NM
320	(3,794)	NM	(3,592)	(10,387)	(65.42)
(549)	(6,060)	(90.94)	(5,196)	(16,456)	(68.42)
(715)	(5,932)	(87.95)	(5,181)	(16,036)	(67.69)
166	(128)	NM	(15)	(420)	(96.43)
(549)	(6,060)	(90.94)	(5,196)	(16,456)	(68.42)

Other information

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
990	975	1.54	1,974	1,999	(1.25)

NM – Not Meaningful

Note 1

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
58	54	7.41	113	111	1.80
14	-	NM	14	-	NM
-	-	NM	-	81	(100.00)
-	-	NM	-	78	(100.00)
430	609	(29.39)	631	1,023	(38.32)
18	25	(28.00)	56	29	93.10
520	688	(24.42)	814	1,322	(38.43)

Other operating income decreased due mainly to lower interest income from the Anxi build-and-transfer ("BT") project. The Group receives interest income from the project based on the outstanding contract sum, the balance of which has reduced following installments payment.

Note 2

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
368	248	48.39	651	448	45.31
-	(2)	(100.00)	-	(2)	(100.00)
-	-	NM	1,774	8	NM
86	76	13.16	118	119	(0.84)
457	(132)	NM	670	(530)	NM
911	190	NM	3,213	43	NM

Income from investments increased due mainly to: (i) net fair value gain on held for trading investment securities of \$0.5 million in 2Q17 compared to a net fair value loss of \$0.1 million in 2Q16; and (ii) higher interest income from placement of short-term deposits.

Note 3

Other operating expenses increased due to the reclassification of depreciation charges of Suzhou hotel as the hotel ceased operation in late January 2017 for redevelopment work.

Note 4

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
(4)	(14)	(71.43)	(13)	(14)	(7.14)
(4)	(14)	(71.43)	(13)	(14)	(7.14)

The reduction in finance costs was because of the decrease in bank borrowings.

NM – Not Meaningful

Note 5

The Group reported an exchange gain of \$33,000 in 2Q17 due mainly to the weakening of the US dollar against the Renminbi. The currency translation gain of \$0.6 million reported in other comprehensive income was attributable to the weakening of the Singapore dollar against the Renminbi.

Note 6

Share of losses of associate decreased owing to the lower operating loss incurred by the associated company.

Note 7

Group					
S\$'000		%	S\$'000		%
3 months ended 30 June			6 months ended 30 June		
2017	2016	Change	2017	2016	Change
(14)	(326)	(95.71)	(100)	(451)	(77.83)
(203)	(8)	NM	(210)	(16)	NM
11	122	(90.98)	11	122	(90.98)
(84)	(77)	9.09	(82)	(72)	13.89
(290)	(289)	0.35	(381)	(417)	(8.63)

Income tax expense:

Current

Overseas withholding tax

Over provision in prior years

Deferred tax

NM – Not Meaningful

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

AS AT	Note	Group		Company	
		30/6/2017	31/12/2016	30/6/2017	31/12/2016
		S\$'000	S\$'000	S\$'000	S\$'000
ASSETS					
Current assets:					
Cash and cash equivalents		46,717	43,937	13,980	11,110
Trade and other receivables	1	18,654	23,070	36,545	37,586
Inventories	2	5,016	3,491	-	-
Investment securities		11,179	11,537	11,179	7,057
Total current assets		<u>81,566</u>	<u>82,035</u>	<u>61,704</u>	<u>55,753</u>
Non-current assets:					
Investment in subsidiaries		-	-	162,157	162,157
Investment in associates	3	316	361	-	-
Other investments		1,059	1,084	41	41
Property, plant and equipment		19,054	19,437	1,277	1,314
Investment properties		66,775	69,456	901	914
Property under development		32,835	33,501	-	-
Deferred tax assets		82	168	-	-
Investment securities	4	1,906	5,633	1,906	5,633
Land use rights		9,091	9,472	-	-
Total non-current assets		<u>131,118</u>	<u>139,112</u>	<u>166,282</u>	<u>170,059</u>
Total assets		<u>212,684</u>	<u>221,147</u>	<u>227,986</u>	<u>225,812</u>
LIABILITIES AND EQUITY					
Current liabilities:					
Trade and other payables		13,043	14,150	129	381
Short-term bank borrowings		1,425	1,329	-	-
Income tax payable	5	237	271	81	84
Provision		1,466	1,394	-	-
Total current liabilities		<u>16,171</u>	<u>17,144</u>	<u>210</u>	<u>465</u>
Non-current liabilities:					
Provision for retirement benefits		497	468	497	468
Total non-current liabilities		<u>497</u>	<u>468</u>	<u>497</u>	<u>468</u>
Equity attributable to owners of the Company:					
Share capital		71,856	71,856	71,856	71,856
Treasury shares		(1,929)	(1,929)	(1,929)	(1,929)
Fair value adjustment reserve		697	1,005	697	1,005
Foreign currency translation reserve		5,270	8,361	-	-
Statutory reserve		1,110	1,110	-	-
Capital reserve		48	48	-	-
Retained earnings		112,059	114,867	156,655	153,947
		<u>189,111</u>	<u>195,318</u>	<u>227,279</u>	<u>224,879</u>
Non-controlling interests		6,905	8,217	-	-
Total equity		<u>196,016</u>	<u>203,535</u>	<u>227,279</u>	<u>224,879</u>
Total liabilities and equity		<u>212,684</u>	<u>221,147</u>	<u>227,986</u>	<u>225,812</u>

Notes:

1. Decrease in trade and other receivables was due mainly to the receipt of instalment payment from the Anxi BT project.
2. Inventory increased mainly because of more finished goods and raw materials carried by the PVC pipes and fittings operation as it has secured more tender projects.
3. Decrease in investment in associates was attributable to operating losses recorded by the associate.
4. Long-term investment securities decreased due to disposal of bonds and equities.
5. Income tax payables decreased due to lower taxable profit of the subsidiaries.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2017		As at 31 December 2016	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	1,425,000	-	1,329,000

Amount repayable after one year

As at 30 June 2017		As at 31 December 2016	
Secured S\$	Unsecured S\$	Secured S\$	Unsecured S\$
-	-	-	-

Details of any collateral

None

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group			
	S\$'000			
	3 months ended 30 Jun 2017	2016	6 months ended 30 Jun 2017	2016
Cash flows from operating activities:				
Loss before tax	(579)	(1,977)	(1,223)	(5,652)
Adjustments for:				
Depreciation of property, plant and equipment	330	377	658	776
Amortisation of land use rights	80	77	159	159
Depreciation of investment properties	580	521	1,157	1,064
Loss on disposal of property, plant and equipment	174	26	180	148
Property, plant and equipment written off	6	-	6	6
Reversal of impairment loss on property, plant and equipment	-	-	-	(81)
Gain on disposal of investment securities	-	-	(1,774)	(8)
Loss on disposal of associate	-	2	-	2
Share of results of associates	18	26	37	45
Provision for retirement benefits	15	14	30	29
Provision for litigation and claims	-	-	104	-
Dividend income from investment securities	(86)	(76)	(118)	(119)
Interest income	(368)	(248)	(651)	(448)
Interest expense	4	14	13	14
Net fair value (gain)/loss on held for trading investment securities	(457)	132	(670)	530
Foreign currency translation adjustment	5	269	1,090	1,335
Operating cash flows before changes in working capital	(278)	(843)	(1,002)	(2,200)
Trade and other receivables	4,353	3,948	4,388	10,795
Inventories	(108)	(5)	(1,525)	173
Trade and other payables	(5)	(2,417)	(1,109)	(4,353)
Cash from operations	3,962	683	752	4,415
Interest paid	(2)	(14)	(11)	(14)
Income taxes paid	(232)	(15)	(329)	(871)
Net cash from operating activities	3,728	654	412	3,530
Cash flows from investing activities:				
Increase in property under development	(54)	(97)	(121)	(132)
Increase in investment properties	(92)	(49)	(92)	(1,401)
Purchase of property, plant and equipment	(911)	(75)	(918)	(62)
Purchase of investment securities	(111)	(4,361)	(10,103)	(4,361)
Proceeds from disposal of property, plant and equipment	20	2	24	9
Proceeds from disposal of investment securities	4,801	-	16,219	3,939
Proceeds from disposal of associate	-	1,049	-	1,049
Dividends received from investment securities	87	70	118	113
Interest received	283	176	680	393
Net cash from/(used in) investing activities	4,023	(3,285)	5,807	(453)
Cash flows from financing activities:				
Proceeds from bank borrowings	1,424	1,423	1,627	1,905
Repayment of bank borrowings	(203)	-	(1,495)	-
Dividends paid	(1,026)	(1,026)	(1,026)	(1,026)
Dividends paid to non-controlling interests by a subsidiary	(1,297)	-	(1,297)	-
Contribution from non-controlling interests	-	68	-	68
Net cash (used in)/from financing activities	(1,102)	465	(2,191)	947
Net increase/(decrease) in cash and cash equivalents	6,649	(2,166)	4,028	4,024
Cash and cash equivalents at beginning of period	40,064	38,706	43,937	33,884
Effects of exchange rate changes on cash and cash equivalents	4	(547)	(1,248)	(1,915)
Cash and cash equivalents at end of period	46,717	35,993	46,717	35,993

The Group had a net cash inflow of \$3.7 million from its operating activities in 2Q17 as compared to \$0.7 million in 2Q16. Net cash received from investing activities of \$4.0 million in 2Q17 was due mainly to receipts of \$4.8 million sale proceeds from the disposal of investment securities offset by payment of \$0.9 million for the purchase of property, plant and equipment.

Net cash used in financing activities of \$1.1 million in 2Q17 was mainly because of the payment of \$2.3 million dividends to the shareholders of the Company and non-controlling shareholders of a subsidiary offset by \$1.4 million proceeds from short-term bank borrowings.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to owners of the Company							Non-controlling interests	Total equity
	Share capital S\$'000	Treasury shares S\$'000	Fair value adjustment reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Retained earnings S\$'000	Total S\$'000	S\$'000
Balance at 1 January 2017	71,856	(1,929)	1,005	48	8,361	1,110	114,867	195,318	8,217 203,535
Net (loss)/profit for the period	-	-	-	-	-	-	(783)	(783)	48 (735)
Other comprehensive (loss)/income for the period									
Currency translation differences	-	-	-	-	(3,645)	-	-	(3,645)	(229) (3,874)
Net fair value gain on available-for-sale financial assets	-	-	1,452	-	-	-	-	1,452	- 1,452
Net fair value changes of available-for-sale financial assets reclassified to profit or loss	-	-	(1,490)	-	-	-	-	(1,490)	- (1,490)
Total comprehensive loss for the period	-	-	(38)	-	(3,645)	-	(783)	(4,466)	(181) (4,647)
Balance at 31 March 2017	71,856	(1,929)	967	48	4,716	1,110	114,084	190,852	8,036 198,888

Group	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital S\$'000	Treasury shares S\$'000	Fair value adjustment reserve S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
Balance at 1 April 2017	71,856	(1,929)	967	48	4,716	1,110	114,084	190,852	8,036	198,888
Net (loss)/profit for the period	-	-	-	-	-	-	(999)	(999)	130	(869)
Other comprehensive income/(loss) for the period										
Currency translation differences	-	-	-	-	554	-	-	554	36	590
Net gain on fair value changes of available-for-sale financial assets	-	-	28	-	-	-	-	28	-	28
Net fair value changes of available-for-sale financial assets reclassified to profit or loss	-	-	(298)	-	-	-	-	(298)	-	(298)
Total comprehensive (loss)/income for the period	-	-	(270)	-	554	-	(999)	(715)	166	(549)
Dividends paid	-	-	-	-	-	-	(1,026)	(1,026)	(1,297)	(2,323)
Balance at 30 June 2017	71,856	(1,929)	697	48	5,270	1,110	112,059	189,111	6,905	196,016

Group	Attributable to owners of the Company								Non-controlling interests	Total equity
	Share capital S\$'000	Treasury shares S\$'000	Fair value adjustment S\$'000	Capital reserve S\$'000	Foreign currency translation reserve S\$'000	Statutory reserve S\$'000	Retained earnings S\$'000	Total S\$'000		
Balance at 1 January 2016	71,856	(1,929)	(66)	48	14,629	1,039	125,268	210,845	8,204	219,049
Net (loss)/profit for the period	-	-	-	-	-	-	(3,859)	(3,859)	56	(3,803)
Other comprehensive loss										
Currency translation differences	-	-	-	-	(6,054)	-	-	(6,054)	(348)	(6,402)
Net loss on fair value changes of available-for-sale financial assets	-	-	(191)	-	-	-	-	(191)	-	(191)
Total comprehensive loss for the period	-	-	(191)	-	(6,054)	-	(3,859)	(10,104)	(292)	(10,396)
Balance at 31 March 2016 and 1 April 2016	71,856	(1,929)	(257)	48	8,575	1,039	121,409	200,741	7,912	208,653
Net (loss)/profit for the period	-	-	-	-	-	-	(2,358)	(2,358)	92	(2,266)
Other comprehensive (loss)/income										
Currency translation differences	-	-	-	-	(3,756)	-	-	(3,756)	(220)	(3,976)
Net gain on fair value changes of available-for-sale financial assets	-	-	182	-	-	-	-	182	-	182
Total comprehensive income/(loss) for the period	-	-	182	-	(3,756)	-	(2,358)	(5,932)	(128)	(6,060)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	68	68
Dividends paid	-	-	-	-	-	-	(1,026)	(1,026)	-	(1,026)
Balance at 30 June 2016	71,856	(1,929)	(75)	48	4,819	1,039	118,025	193,783	7,852	201,635

Company	Share capital S\$'000	Treasury shares S\$'000	Fair value adjustment reserve S\$'000	Retained earnings S\$'000	Total equity S\$'000
Balance at 1 January 2017	71,856	(1,929)	1,005	153,947	224,879
Net profit for the period	-	-	-	89	89
Other comprehensive income/(loss) for the period					
Net fair value gain on available-for-sale financial assets	-	-	1,452	-	1,452
Net fair value changes of available-for-sale financial assets reclassified to profit or loss	-	-	(1,490)	-	(1,490)
Total comprehensive (loss)/income for the period	-	-	(38)	89	51
Balance at 31 March 2017 and 1 April 2017	71,856	(1,929)	967	154,036	224,930
Net profit for the period	-	-	-	3,645	3,645
Other comprehensive income					
Net gain on fair value changes of available-for-sale financial assets	-	-	28	-	28
Net fair value changes of available-for-sale financial assets reclassified to profit or loss	-	-	(298)	-	(298)
Total comprehensive income for the period	-	-	(270)	3,645	3,375
Dividends paid	-	-	-	(1,026)	(1,026)
Balance at 30 June 2017	71,856	(1,929)	697	156,655	227,279
Balance at 1 January 2016	71,856	(1,929)	(66)	157,301	227,162
Net loss for the period	-	-	-	(2,894)	(2,894)
Other comprehensive loss					
Net loss on fair value changes of available-for-sale financial assets	-	-	(191)	-	(191)
Total comprehensive loss for the period	-	-	(191)	(2,894)	(3,085)
Balance at 31 March 2016 and 1 April 2016	71,856	(1,929)	(257)	154,407	224,077
Net loss for the period	-	-	-	(1,198)	(1,198)
Other comprehensive income					
Net gain on fair value changes of available-for-sale financial assets	-	-	182	-	182
Total comprehensive income/(loss) for the period	-	-	182	(1,198)	(1,016)
Dividends paid	-	-	-	(1,026)	(1,026)
Balance at 30 June 2016	71,856	(1,929)	(75)	152,183	222,035

1(d)(ii)Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Share Capital

There were no changes in the Company’s issued and paid-up share capital during the second quarter ended 30 June 2017.

As at 30 June 2017, the Company has 342,024,763 issued ordinary shares, excluding treasury shares.

Treasury Shares

As at 30 June 2017, there were 5,414,000 (2016: 5,414,000) treasury shares held by the Company.

1(d)(iii)To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

The total number of issued ordinary shares excluding treasury shares as at 30 June 2017 was 342,024,763 (31 December 2016: 342,024,763).

1(d)(iv)A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 June 2017.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter)

N/A

4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2016, except as disclosed in paragraph 5 below.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and revised Financial Reporting Standards (FRS) and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 January 2017. The adoption of these new/revised FRS and INT FRS did not result in any substantial change to the Group's and Company's accounting policies or have any significant impact on the financial statements.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group			
	3 months ended 30 June		6 months ended 30 June	
	2017	2016	2017	2016
Loss per ordinary share for the period				
(i) Based on weighted average number of ordinary shares on issue	(0.29) cent	(0.69) cent	(0.52) cent	(1.82) cent
Weighted average number of ordinary shares	342,024,763	342,024,763	342,024,763	342,024,763
(ii) On a fully diluted basis	(0.29) cent	(0.69) cent	(0.52) cent	(1.82) cent
Adjusted weighted average number of ordinary shares	342,024,763	342,024,763	342,024,763	342,024,763

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year

	Group		Company	
	As At 30/6/2017	As At 31/12/2016	As At 30/6/2017	As At 31/12/2016
Net asset value per ordinary share based on issued share capital at the end of the period reported on (S\$)	0.55	0.57	0.66	0.66
Total number of issued shares, excluding treasury shares, at the end of the period reported on	342,024,763	342,024,763	342,024,763	342,024,763

- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

PERFORMANCE REVIEW

Revenue of the Group increased by \$0.6 million from \$4.2 million in 2Q16 to \$4.8 million in 2Q17 mainly because of higher revenue recorded in the PVC pipes and fittings operation. Net loss decreased from \$2.3 million in 2Q16 to \$0.9 million in 2Q17 principally due to effect of exchange differences. In 2Q16, the Group reported an exchange loss of \$1.0 million whereas an exchange gain of \$33,000 was reported in 2Q17.

Hotel and Property Operation

Hotel and property operation reported a decrease in revenue of \$0.3 million from \$1.1 million in 2Q16 to \$0.8 million in 2Q17 due mainly to the suspension of Suzhou hotel operation since January 2017 for the redevelopment work. Loss of the operation remained at \$0.9 million.

PVC Pipes and Fittings Operation

Revenue of the PVC pipes and fittings operation increased from \$3.1 million in 2Q16 to \$4.0 million in 2Q17 owing to higher sales quantity resulting from more projects secured to supply pipes and fittings. Despite the higher revenue, profit of the operation increased marginally by \$19,000 to \$82,000 in 2Q17 due to lower profit margin attributed to higher raw material costs.

- 9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Group's performance in the second quarter of 2017 is in line with our previous announcement.

- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Marketing for new tenants of the shopping mall at the San Teh Commercial Plaza at Shanghai Anting is progressing as planned. The Group has secured tenancy agreements representing an occupancy rate of approximately 60%.

The redevelopment work of Suzhou Hotel has commenced in April 2017 and initial operation is targeted to commence in first half of 2018.

The legal proceedings in Shanghai San Teh Xing and Dali San Teh Xing and the arbitration proceeding in Nantong Hotel are still on-going.

The Group expects the revenue of its PVC pipes and fittings operation to improve. However, the Group expects the operation to continue to face difficult business environment due to the keen competition and rising raw material costs.

11 Dividend

(a) *Current Financial Period Reported On*

Any dividend declared for the current financial period reported on? No

Name of Dividend

Dividend Type

Dividend Amount per Share (in cents)

Tax Rate

(b) *Corresponding Period of the Immediately Preceding Financial Year*

Any dividend declared for the corresponding period of the immediately preceding financial year? No

Name of Dividend

Dividend Type

Dividend Amount per Share (in cents)

Tax Rate

(c) *Date payable*

N/A

(d) *Books closure date*

N/A

12 If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the period ended 30 June 2017.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company did not obtain any general mandate from its shareholders for interested person transactions.

14 Confirmation pursuant to Rule 720(1) of the Listing Manual.

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in the format set out in Appendix 7.7 under Rule 720(1).

15 Segment Information

3 months ended 30 June 2017

	Investment Holding	Hotel and Property	PVC Pipes and Fittings	Others	Elimination	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue						
External sales	-	794	3,987	-	-	4,781
Intersegment sales	-	-	-	-	-	-
Total sales	-	794	3,987	-	-	4,781
Results						
Segment results	(139)	(861)	82	(7)	-	(925)
Interest income	129	197	3	80	(41)	368
Interest expense	-	(44)	(1)	-	41	(4)
Share of results of associates	(18)	-	-	-	-	(18)
(Loss)/Profit before tax	(28)	(708)	84	73	-	(579)
Income tax expense	(203)	(62)	(9)	(16)	-	(290)
(Loss)/Profit for the period	(231)	(770)	75	57	-	(869)
Assets						
Segment assets	234,529	169,672	22,687	20,888	(235,490)	212,286
Investment in associates	316	-	-	-	-	316
Deferred tax assets	-	82	-	-	-	82
Total assets	234,845	169,754	22,687	20,888	(235,490)	212,684
Liabilities						
Segment liabilities	635	64,050	1,024	4,909	(54,187)	16,431
Income tax payable	86	91	10	50	-	237
Total liabilities	721	64,141	1,034	4,959	(54,187)	16,668
Other segment information						
Additions to property, plant and equipment	3	908	-	-	-	911
Additions to property under development	-	54	-	-	-	54
Additions to investment properties	-	92	-	-	-	92
Depreciation and amortisation	30	873	74	13	-	990
Loss on disposal of property, plant and equipment	-	174	-	-	-	174
Foreign exchange losses/(gains)	189	(222)	-	-	-	(33)

3 months ended 30 June 2016

	Investment Holding S\$'000	Hotel and Property S\$'000	PVC Pipes and Fittings S\$'000	Others S\$'000	Elimination S\$'000	Total S\$'000
Revenue						
External sales	-	1,074	3,129	-	-	4,203
Intersegment sales	-	(1)	(17)	-	18	-
Total sales	-	1,073	3,112	-	18	4,203
Results						
Segment results	(1,294)	(947)	63	(7)	-	(2,185)
Interest income	135	60	24	68	(39)	248
Interest expense	-	(53)	-	-	39	(14)
Share of results of associates	(26)	-	-	-	-	(26)
(Loss)/Profit before tax	(1,185)	(940)	87	61	-	(1,977)
Income tax expense	(13)	(242)	(30)	(4)	-	(289)
(Loss)/Profit for the period	(1,198)	(1,182)	57	57	-	(2,266)
Assets						
Segment assets	229,431	178,037	25,766	21,214	(235,451)	218,997
Investment in associates	390	-	-	-	-	390
Deferred tax assets	-	245	-	-	-	245
Total assets	229,821	178,282	25,766	21,214	(235,451)	219,632
Liabilities						
Segment liabilities	908	60,642	940	5,465	(50,407)	17,548
Income tax payable	19	380	27	23	-	449
Total liabilities	927	61,022	967	5,488	(50,407)	17,997
Other segment information						
Additions to property, plant and equipment	8	64	1	-	-	73
Additions to property under development	-	97	-	-	-	97
Additions to investment properties	-	49	-	-	-	49
Depreciation and amortisation	38	839	86	12	-	975
Loss on disposal of property, plant and equipment	-	26	-	-	-	26
Foreign exchange losses	720	297	-	-	-	1,017

BY ORDER OF THE BOARD

LIM WEE TZIANG
COMPANY SECRETARY
14 August 2017

RULE 705(5) – NEGATIVE ASSURANCE

SAN TEH LTD

Confirmation by the Board of Directors

Pursuant to Rule 705(5) of the SGX-ST Listing Manual, we, Kao Chuan Chi and Kao Chuan Trong, being two Directors of San Teh Limited (the “Company”), do hereby confirm on behalf of the Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the Group’s unaudited interim financial results for the second quarter ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors:

Kao Chuan Chi
Director

Kao Chuan Trong
Director

Singapore, 14 August 2017